



State of Utah

Department of
Natural Resources

Division of
Oil, Gas & Mining

ROBERT L. MORGAN
Executive Director

LOWELL P. BRAXTON
Division Director

OLENE S. WALKER
Governor

GAYLE F. McKEACHNIE
Lieutenant Governor

February 3, 2004

David Penney
Heather Scholz
Penney's Gemstones, LLC
2400 East 30 South
P.O. Box 312
Beaver, Utah 84713

Subject: Transfer of Notices of Intention, Lost Gems #1 (S/001/056); Sliver 1-2 (S/001/035); Sliver 3-4 (S/001/057); Lucin Variscite (S/003/034); Pretty in Pink (S/027/073); White Tiger (S/027/093); Fantasy Land Jasper (S/027/096); Little Spot (S/027/024); Rapunzel (S/023/083); Carol Mine (S/001/064); and Green Chameleon (E/001/148), Beaver, Box Elder, Juab and Millard Counties, Utah

Dear Mr. Penney and Ms. Scholz:

On February 2, 2004, we received your notices of intention to transfer the above mentioned permits from David Penney/Penney's Gemstones to Penney's Gemstones, LLC or Earth's Partners, LLC. We also received a copy of your Certificate of Registration from the Division of Corporations showing that Penney's Gemstones, LLC is registered with the state of Utah. Thank you for providing that information.

We regret to inform you that the transfers are deficient. The legal description is not included. Rather the statement "see file" is written in where the legal description needs to be placed. The document needs to be complete before upper management will allow this to go through to the Division Director. We are not legally allowed to alter a document that has been signed and notarized to add the information, even if we knew exactly what the legal description of the land affected was. Also, a topographic map was not submitted with the transfers. Page one of the transfer form states, "Attach a topographic map . . . of suitable scale . . . which clearly outlines the existing disturbed area boundaries affected by the operation through the date of this transfer."

David Penney, Heather Scholz
Page 2 of 2
Permit Transfers
February 3, 2004

We are returning the transfer forms to you to complete (or redo). Please provide the missing information along with clearly marked maps, and then return to us for acceptance by the Division Director. Please be advised that you will also need to notify the BLM that you are changing the operator name. The local area BLM may be able to help you with disturbed area maps if you don't have accurate maps.

Thank you for your help in finalizing this permitting action. Please contact me at (801) 538-5321 if you have any further questions in regard to this letter.

Sincerely,



Tom Munson
Senior Reclamation Hydrologist

jb

Enclosure: 11 partially completed transfer forms

cc: Ed Ginouves, BLM, Cedar City FO
Jerry Mansfield, BLM, Fillmore FO
Mike Ford, BLM, SLFO

O:\M027-Millard\S0270073-PrettyInPink\penney'transfers-02032004.doc

Mine Permit Number 5/001/0056 Mine Name LOST GEMS #1
Operator DAVID PENNEY Date Sent / Received 02-02-2004
TO OGM FROM DAVID PENNEY

☐ CONFIDENTIAL ☐ BOND CLOSURE ☐ LARGE MAPS ☐ EXPANDABLE
☒ MULTIPUL DOCUMENT TRACKING SHEET ☐ NEW NOI ☐ AMENDMENT
☐ OTHER _____

Description Record Number

☐ NOI ☒ Incoming ☐ Outgoing ☐ Internal ☐ Superceded
TRANSFER OF NOI-SMO 2004-0002

☐ NOI ☐ Incoming ☐ Outgoing ☐ Internal ☐ Superceded

☐ NOI ☐ Incoming ☐ Outgoing ☐ Internal ☐ Superceded

☐ NOI ☐ Incoming ☐ Outgoing ☐ Internal ☐ Superceded

☐ TEXT/ 8 1/2 X 11 MAP PAGES ☐ 11 X 17 MAPS ☐ LARGE MAP

COMMENTS: _____

CC: _____